

John Boehner
Chairman
8th District, Ohio

House Meets at 10:00 a.m. for Legislative Business

Anticipated Floor Action:

H.R. 2015—Balanced Budget Act (Conference Report)
H.R. 2264—FY 1998 Labor, HHS, and Education Appropriations Act



H.R. 2015—Balanced Budget Act (Conference Report)

Floor Situation: The House is scheduled to consider the conference report to H.R. 2015 on Wednesday, July 30, 1997. Conference reports are privileged and may be considered any time three days after they are filed; they are debatable for one hour, may not be amended, and are subject to one motion to recommit. They do not require a rule for consideration. Nevertheless, the Rules Committee is expected to meet today to grant a rule for consideration. Yesterday, the Rules Committee granted a rule waiving the requirement for a two-thirds majority vote to consider a rule on the same day it is reported.

Summary: The conference report implements the framework of the balanced budget agreement by reconciling mandatory spending with the budget resolution's mandate to balance the budget in five years. It overhauls nearly every major federal entitlement spending program except Social Security. Specifically, the bill:

- * achieves a total of \$115 billion in savings over the next five years through Medicare program reforms and extends the life of the Medicare Part A trust fund until 2007;
- * amends the Social Security Act to insert a new Part C to establish a MedicarePlus program, defines eligibility requirements for MedicarePlus organizations, and outlines a transition and implementation period for the new options;
- * creates a federal commission to examine the expected impact on the Medicare program from the retirement of the "Baby Boom" generation;

- * increases program flexibility for seniors through medical savings accounts (MSAs), allowing beneficiaries to enroll in high-deductible MSA plans;
- * expands the range of preventative benefits available to beneficiaries to include mammography, diabetes, prostate and colorectal cancer screenings;
- * authorizes a performance bonus to states which successfully move welfare recipients from public assistance into the workforce;
- * provides continued eligibility for Supplemental Security Income (SSI) for aliens present in the U.S. who had received benefits on or before August 22, 1996;
- * toughens penalties against Medicare fraud and abuse, including establishing a “three strikes” expulsion provision for medical providers that commit fraudulent practices;
- * allows the HHS Secretary to deny participation in the Medicare program to entities and individuals who are convicted of felonies.
- * gives states the authority to exempt up to 15 percent of the number of able bodied adults between 18 and 50 years old without dependent children who lose their benefits as a result of failing to fulfill the work requirement under the 1996 welfare reform law;
- * authorizes \$599 million in additional funding over five years to create new work slots within the Food Stamp Employment and Training program;
- * provides continued eligibility for aliens to receive SSI and Medicaid benefits; refugees, asylees, and those whose deportation has been withheld may continue to receive such benefits for an additional five to seven years under this provision;
- * replaces the Federal Housing Administration (FHA) existing mortgage assignment and foreclosure relief program with a program under which the FHA could provide assistance on behalf of borrowers up to the equivalent of 12 monthly mortgage payments;
- * reduces Annual Adjustment Factors (AAF) in subsidized private sector housing by one percent for those units that do not have any tenant turnover;
- * cancels automatic increases in rent by private sector housing, where unit rents exceed HUD’s established fair market rents for a relevant housing area;
- * reforms the Medicaid program to increase state flexibility to administer the program;
- * requires the Federal Communications Commission (FCC) and the National Telecommunications and Information Administration (NTIA) to auction portions of the electromagnetic spectrum, which is expected to generate \$21 billion in receipts over the next five years;

- * authorizes the Department of Energy (DOE) to lease excess space in the Strategic Petroleum Reserve to foreign countries;
- * requires the Education Secretary to recall \$1 billion from reserve funds held by student loan providers;
- * repeals the 1917 Smith Hughes Act, a \$7.1 million mandatory vocational education program that falls under the Perkins Vocational Education and Applied Technology Act;
- * authorizes \$3 billion over the next four years for welfare-to-work services to help individuals who have been on welfare for long periods of time enter the workforce;
- * prohibits the use of federal funds for abortions, except in the case of rape, incest, or to save a woman's life;
- * requires states to restore Medicaid benefits to children who will lose their Social Security benefits because of stricter child eligibility standards that were enacted under the welfare reform law;
- * instructs the General Service Administration to sell Governors Island, New York, in FY 2002; and
- * sells 16.3 acres of air rights adjacent to Union Station at fair market value;

A CBO estimate was unavailable at press time. The conference report was submitted by Mr. Kasich.

Views (on the overall bill):

Republican Leadership: Supports

Chairman Kasich: Supports

Clinton Administration: Supports

Additional Information: See *Legislative Digest*, Vol. XXV, #22, Pt. III, July 30, 1997.



H.R. 2264—FY 1998 Labor, HHS, and Education Appropriations Act

Floor Situation: The House is expected to consider H.R. 2264 after it completes consideration of the conference report to H.R. 2015. Appropriations bills are privileged and may be considered anytime three days after they are filed; they do not require a rule for consideration. Nevertheless, on Monday, July 28, the Rules Committee granted an open rule providing for one hour of general debate, equally divided between the chairman and the ranking minority member of the Appropriations Committee. The rule waives all points of order against consideration of the bill, as well as House rules which prohibit unauthorized appropriations, legislative provisions in an appropriations bill, and reappropriations. It makes in order four specific amendments—by Mr. Hyde, Ms. Lowey,

Mr. Istook, and Mr. Porter—and waives points of order against them. The rule accords priority in recognition to members who have their amendments pre-printed in the *Congressional Record*. The chairman of the Committee of the Whole may postpone votes and reduce the voting time on a postponed vote to five minutes, provided that it follows a regular 15-minute vote. The rule also waives House rules that prohibit non-emergency amendments from being offered to a bill containing an emergency designation under the Budget Act. Finally, the rule provides one motion to recommit, with or without instructions.

Summary: H.R. 2264 appropriates \$80 billion in discretionary budget authority—\$5.3 billion more than last year and \$117 million less than the president’s request—for the Departments of Labor, Health and Human Services (HHS), Education, and a wide range of related agencies. The discretionary amount is approximately equal to the subcommittee’s 602(b) allocation. Including mandatory spending (the amount over which the Appropriations Committee does not have jurisdiction) the bill provides \$279 billion, \$8.1 billion less than last year and \$245 million less than the president’s request. The bill provides no funding for approximately 20 programs which received FY 1997 appropriations, including Community Based Resource Centers, state student incentive grants, preventative health for the aging, Star Schools, urban community service, and various scholarships and fellowships offered by the Education Department.

For the Department of Labor (DOL), the bill appropriates \$9.2 billion in discretionary budget authority for a number of employment-related programs, including unemployment insurance, worker safety, and job training. The amount provided is \$508 million more than last year and \$175 million less than the president’s request. Specifically, the bill appropriates nearly \$5.2 billion to carry out the Job Training Partnership Act (JTPA) and provides increases over last year for adult training programs, Job Corps centers, and dislocated workers. The bill provides \$336 million for the Occupational Safety and Health Administration (OSHA; an \$11.3 million increase over last year). The bill also provides \$380 million in FY 1998 (a \$19 million increase) for the Bureau of Labor Statistics, most of which is designated to revise the Consumer Price Index.

The largest portion of funding in the bill funds programs of the Department of the Health and Human Services (HHS). The bill provides about \$202 billion for HHS, nearly 85 percent of which supports mandatory entitlement programs such as Medicare, Medicaid, and family support services. The remainder of HHS funding (\$32 billion, \$1.7 billion more than last year and \$609 million more than the president’s request) supports the nation’s primary health and welfare discretionary initiatives, including programs such as (1) the National Institutes of Health (NIH), which receives \$13.5 (a six percent increase over the FY 1997 level); (2) the Centers for Disease Control and Prevention (CDC), which receives \$2.4 billion (a 3.6 percent increase over last year’s level) for a preventative health block grant, disease prevention efforts, and breast and cervical cancer screening; (3) Ryan White AIDS funding, which receives \$1.2 billion (a \$172 million increase); and (4) a number of grants to states for social and community services.

The bill appropriates \$31.9 billion in discretionary funding for national education programs through the Department of Education, \$2.9 billion more than last year and \$197,000 less than the president’s request for the upcoming school year. The bill reduces funding for the Goals 2000 program but increases funding by \$50 million over the president’s request for education programs for the disadvantaged. The bill provides a significant increase in funding for bilingual and immigrant education programs, the technology literacy challenge fund, the Impact Aid program, and student financial assistance, including an increase in the maximum Pell grant award to \$3,000 per student.

Finally, the bill provides total budgetary resources of nearly \$25.7 billion for the Social Security Administration and an additional \$1 billion for a variety of related agencies, including the Corporation for Public Broadcasting (CPB) and the National Labor Relations Board (NLRB), each of which receives significantly less funding than the president's request.

CBO estimates that enactment will result in mandatory and discretionary outlays of \$188.6 billion in FY 1998, \$37.1 billion in FY 1999, \$9.8 billion in FY 2000, \$1.7 billion in FY 2001, \$82 million in FY 2002 and beyond. The bill was submitted by Mr. Porter and was reported by the Appropriations Committee by voice vote.

Views (on the overall bill):

Republican Leadership: Supports

Chairman Livingston (full): Supports

Chairman Porter (full): Supports

Clinton Administration: Opposes

Amendments: At press time, the *Legislative Digest* was aware of the following amendments to H.R. 2264:

Mr. Burton and Ms. DeGette may offer an amendment (#15) to increase funding by \$1 million for the "We the People...Project Citizen" civic education program (to equal the president's request). This program teaches students about the history of the Constitution and Bill of Rights. *Staff Contact: Nat Wienecke (Burton), x5-2276; (DeGette), x5-4431*

Ms. Chenoweth may offer an amendment (#16) to restore the FY 1997 level of \$4.7 million for the Senior Citizen's congregate meal program, which currently receives no funding under the bill. As an offset, the amendment reduces funding for family planning initiatives by \$9 million. The member argues that the amendment funds a needed senior program and that the \$9 million taken from family planning is less than four percent of the \$203 million provided for that function in the bill. *Staff Contact: Gregory Peek, x5-6611*

Mr. DeFazio may offer an amendment (#1) to restore \$32 million which was provided in FY 1997 for the Community Based Family Resource and Support Grant (the bill currently provides no funds), which provides intervention services for children at risk for being abused and neglected. As an offset, the amendment decreases funding for the Office of the Director of the National Institute of Health by \$9.8 million, and for the building and facilities fund by \$32.8 million. *Staff Contact: David Holt, x5-3021*

Mr. Engel and Ms. McCarthy may offer an amendment (#2) to provide \$100,000 for the Education Department to develop an Internet site that provides information to students about scholarships and financial aid. If an offset is necessary, the amendment will reduce funds from the educational technology fund. *Staff Contacts: David Toomey (Engel), x5-2464; or Andrew Goldberg, x55516*

Mr. Evans or Mr. Filner may offer an amendment (#3) to earmark an additional \$2.5 million for the Homeless Veterans Reintegration Program (HVRP). The bill currently provides \$2.5 million under Labor Department Pilot and Demonstration programs. The member argues that one-third of homeless men are veterans and that the government has an obligation to help them find suitable employment. *Staff Contact: Jill Cochran, x5-9756*

Mr. Goodling may offer an amendment (#4) to increase funding for special education by \$155.5 million, and offset this by reducing funding for (1) education reform by \$35 million, (2) higher education by \$6.9 million, and (3) education research, statistics, and improvement by \$113.6 million. Under the bill, special education programs receive \$4.3 billion. *Staff Contact: Susan Firth, x5-6910*

Mr. Goodling may offer an amendment (#5) to prohibit appropriated funds from being used to develop national mathematics tests for fourth graders and national reading tests for eighth graders. The amendment does not limit activities of the National Assessment of Educational Progress (also known as the “Nation’s Report Card”) or the Third International Math and Science Study. The member argues that the national tests are too controversial of a change for the president to implement without congressional authorization. *Staff Contact: Kent Talbert, x5-6558*

Mr. Hefley may offer an amendment to reduce funding for the Corporation for Public Broadcasting by \$50 million. Supporters of the amendment would like to privatize CPB. Opponents believe CPB provides valuable cultural and educational information and would fail without government subsidies. *Staff Contact: Jennifer Johnson, x5-4422*

Mr. Hyde may offer an amendment to expand provisions that prohibit the use of federal Medicaid funds for abortions except when the life of the mother is endangered or when the pregnancy is a result of rape or incest (referred to as “modified Hyde” language). The expanded language prohibits the use of Medicaid funds to purchase health insurance that provides coverage for abortions. Previously, a patient’s health care system would issue payments for specific procedures, making it easy to guarantee that federal funds are not used for abortions. However, Medicaid recipients who are covered by a managed care plan receive subsidies for the premiums of the total health care package, which could include coverage for abortions. If that is the case, supporters argue that these premiums paid with Medicaid funds indirectly subsidize abortions. Amendment supporters state that the modification is necessary to continue to prevent federal funds from subsidizing elective abortions, as more than 40 percent of Medicaid patients are now covered by managed care plans. Opponents believe the amendment will restrict abortion services that are not federally subsidized. *Staff Contact: Brad Close, x5-4561*

- * **Ms. Lowey** may offer a substitute amendment to the Hyde amendment to clarify that federal Medicaid funds may not be used for abortion services for recipients in traditional health care systems (i.e., paying a fee for a specific service) or in managed care programs (i.e., paying a premium for a total package of services). Unlike the Hyde amendment, the substitute does not prohibit states from subsidizing premiums to managed care organizations simply because they provide coverage for abortions. Supporters of the substitute believe organizations should not be banned from serving all Medicaid recipients because they offer abortions. Opponents of the substitute wish to maintain a strict prohibition against federally-supported elective abortions, and believe that the premiums paid for Medicaid recipients to managed care organizations, which also provide abortions, indirectly provides federal funds for abortions. *Staff Contact: Howard Wolfson, x5-6506*

Mr. Istook may offer an amendment to require a parent’s written consent before a minor can receive contraceptive drugs or devices from federally-funded health clinics. If the parent’s or guardian’s consent cannot be obtained, the amendment allows the court to grant consent. The requirement does

not apply to family planning information or counseling. The amendment also requires staff of Title X health clinics to report evidence of child abuse, child molestation, sexual abuse, rape, or incest to local authorities. Requiring parental involvement, proponents believe, will prevent cases like the recent story of a 13-year old girl who received contraception with the help of her high school teacher, who is now accused of child molestation. Opponents of the amendment believe the subject is too complex to be dealt with in an appropriations bill, and that confidential access to clinics is critical to the success of the program. *Staff Contact: Bill Duncan, x5-2132*

- * **Mr. Porter** may offer a substitute amendment to the Istook Amendment to require health centers that receive federal family planning funds to (1) encourage family involvement, and (2) counsel minors on methods to resist coercive sexual activity. Supporters of the substitute believe it will ensure that teens continue to have access to critical family planning services while encouraging family communication and involvement. Opponents believe that the substitute does not go far enough to involve families, promote abstinence, and protect teens from sexual abuse. *Staff Contact: Julie Debolt, x5-4835*

Mr. Kennedy (MA) may offer an amendment (#6) to provide an additional \$4.8 million for elderly abuse prevention efforts and \$9.3 million for the Frail Elderly In-Home Services program, neither of which receive funds under the bill. The amendment reduces funding for the National Center for Education Statistics by \$14 million to provide offsetting receipts. *Staff Contact: Heather Mizeur, x5-5111*

Mr. McIntosh may offer an amendment (#20) to cut \$21 million from the Goals 2000 program. The amendment transfers (1) \$15 million to the education and technology programs to provide more computers and technology in public classrooms, and (2) \$6 million to the education, research, statistics, and technology account for the Jacob Javits fund for gifted and talented students. *Staff Contact: David Holt or Leila Bate, 5-3021*

Mr. Nadler may offer an amendment (#7) to prohibit any Medicaid funds from being paid to a health insurance provider that limits the type of conversations a physician can have with a patient regarding advice on possible medical treatments. In effect, the amendment establishes an “anti-gag rule” to guarantee physicians the right to advise their patients on available health care options, regardless of whether those options are covered by the patient’s insurance plan. Supporters argue that physicians should not be hindered from providing the best advice available because of a health contract. Opponents argue that the amendment will unduly increase insurance costs and lead to unnecessary medical tests and procedures. *Staff Contact: Zachary Katznelson, x5-5635*

Mr. Nadler may offer an amendment (#8) to prohibit federal funds from being paid to health insurance providers that offer bonuses or impose penalties on doctors in relation to the number of services or tests which are prescribed by the doctor. Supporters argue that physicians should not be hindered from providing the best services available because of a health contract. Opponents argue that the amendment will result in increased insurance costs and that tighter controls over physician procedures are needed before such a measure can be enacted. *Staff Contact: Zachary Katznelson, x5-5635*

Mr. Nadler may offer an amendment (#9) to prohibit the use of Medicaid funds for payments to a health insurance provider unless insurance coverage is provided for items that the treating physician, in consultation with the patient, determines are medically necessary for a patient, and the patient's health care provider pays for the services in a manner that is consistent with the patient's health care plan. *Staff Contact: Zachary Katznelson, x5-5635*

Ms. Pelosi may offer an amendment (#10) to transfer \$50 million from the Abstinence Only program to the Center for Disease Control (CDC) for its teen pregnancy prevention programs. The member argues that the CDC programs have been more successful at reducing teen pregnancies and promoting abstinence than the Abstinence Only program. *Staff Contact: Steve Morin, x5-4965*

Ms. Pelosi may offer an amendment (#11) to require that federally-funded abstinence programs provide medically accurate and appropriate information to teens. The member argues that current abstinence programs do not provide youth with accurate scientific facts regarding the success rates of contraceptives. *Staff Contact: Steve Morin, x5-4965*

Mr. Riggs and Mr. Roemer may offer an amendment (#22) to increase funding for charter schools by \$25 million to a total of \$100 million. The amendment offsets this increase with an equal reduction in funding for the Technology Literacy Challenge Fund. Supporters of the amendment believe the increasing number and success stories of charter schools—public schools created by teachers, parents, and other members of the community that are exempt from local management rules—demonstrate the ability of charter schools to reform American education. *Staff Contact: Mark Davis (Riggs), x5-3311; Gina Mahony (Roemer), x5-3915*

Mr. Riggs may offer an amendment (#23) to increase funding for the Older Americans Act (OAA) by \$19.6 million, offset by two reductions of \$9.8 million each from overhead accounts of the Department of Labor and the Department of Health and Human Services. The member argues that funding for the OAA is essential to helping elderly Americans maintain an independent lifestyle. *Staff Contact: Mark Davis, x5-3311*

Mr. Riggs may offer an amendment (#14) to prohibit the Education Department from imposing sanctions on states that elect not to provide special education, under the Individuals with Disabilities Education Act, to incarcerated individuals aged 18 to 21 years. Supporters say states should not be required to spend limited federal and state funds on convicted felons. Opponents believe that a key component to rehabilitating prisoners is to provide them with a solid education. *Staff Contact: Mark Davis, x5-3311*

Mr. Solomon may offer an amendment to prohibit any funds to be made available to a contractor that has not filed required annual reports with the Secretary of Labor regarding veterans' employment. *Staff Contact: Ed Timberlake, x5-7985*

Mr. Solomon may offer an amendment to prohibit the use of any of the bill's funds to promote legalizing controlled substances unless the drug has significant medical evidence of therapeutic advantages. *Staff Contact: Ed Timberlake, x5-7985*

Mr. Souder may offer an amendment (#23) to transfer \$36 million (20 percent) of family planning funds to the National Institute of Health for the National Cancer Institute to research breast cancer. The member believes that providing funding for research that will prevent 44,300 deaths from breast cancer is more important than funding public health clinic contraceptive programs. **Staff Contact: Randy Brandt, x5-4436**

Additional Information: See *Legislative Digest*, Vol. XXV, #22, Pt. II, July 22, 1997.



PLEASE NOTE: UNDER AN OPEN RULE, MEMBERS MAY OFFER ENTIRELY NEW AMENDMENTS TO A BILL AT ANY TIME, REGARDLESS OF WHETHER THEY HAVE BEEN PRE-PRINTED IN THE *CONGRESSIONAL RECORD*.

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